



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

July 16, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

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QUARTERLY STATUS OF FOSTER YOUTH IDENTITY THEFT

This memo on the status of Foster Youth Identity Theft is in response to the March 24, 2009 motion by Supervisor Antonovich. The motion instructs the Chief Executive Officer (CEO), the Director of Children and Family Services (DCFS) and the Chief Probation Officer to report back to the Board of Supervisors within 30 days and quarterly thereafter, on:

1. The scope of foster youth identity theft in Los Angeles County and the effectiveness of measures taken to address this problem;
2. Whether AB 2985 and subsequent State implementation instructions sufficiently address the problem and allow the disclosure of all types of identity theft affecting our foster youth; and
3. The County's plan and resources needed to implement the services required by AB 2985.

This update will focus on the status of AB 2698 as well as the status of the local pilot.

AB 2698

County-supported AB 2698 (Block), introduced on February 19, 2010, would authorize county welfare departments or the California Department of Social Services to release information to credit agencies on behalf of foster youth who may be the victims of identity theft. AB 2698 is very similar to County-supported AB 1324 (Bass) which the

Governor vetoed in October 2009. As of this writing, AB 2698 has passed the Assembly Human Services Committee, Assembly Appropriations Committee and the Assembly Floor, with no opposition. Further, it passed the Senate Human Services Committee with no opposition. It is scheduled for a Senate Appropriations Committee hearing on August 2, 2010.

County Plan to Implement

The Los Angeles County Department of Consumer Affairs (DCA), the California Office of Privacy Protection (COPP), DCFS and the three credit reporting agencies – Experian, Equifax and Trans Union, are the agencies involved with the Los Angeles County Pilot Project (Pilot).

On May 11, 2010, DCFS' Business Information Systems Division, the Internal Services Department and the Chief Information Office's Information Security Division purchased and installed the required software used to encrypt the transport of sensitive client data from DCFS to Experian.

The plan for the Pilot is for DCFS to transmit the records to the credit bureau, have the credit bureau run the credit check and refer any possible fraud records to DCA and/or COPP for follow-up and remediation as determined necessary and lastly, run the records through the other credit bureaus – Trans Union and Equifax. Once the pilot test has been completed, partners will evaluate the process and revise as appropriate. It is envisioned that records will be transmitted on a quarterly basis.

On May 18, 2010, DCFS transferred 2,110 youth data files to Experian's Secure File Transfer Protocol site for purposes of a credit check and report back. The involved parties have developed a protocol which contains data fields that will allow for a successful credit check and report on findings for follow-up by the remediation agencies – COPP and DCA.

Of the 2,110 records, 200 have been referred to the remediation agencies for follow-up on possible fraud. It should be noted that not all of the records will be the result of identity theft. Preliminary observations of the records yielded the following patterns:

- Library fines in collection;
- Medical debts in collection;
- Child Support accounts in collection; and
- Cell phone and credit card accounts in collection.

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The remediation agencies are now sending the first batch of letters out to collectors and creditors and are reviewing records for possible errors. The agencies will follow up with phone calls and additional letters as necessary.

In conclusion, the Pilot is moving forward and will certainly produce useful information about the handling of identity theft among foster youth. The initial results of the Pilot show that the County's protocol is in place for transferring youth data files to allow for a successful credit check. Moreover, the procedures fulfill the AB 2985 requirement for the county welfare department to refer youth to an approved organization that provides services to victims of identity theft. As a result, these quarterly updates have addressed the foster youth identity theft issues outlined in the March 24, 2009 Board motion. Therefore, this report concludes such updates unless otherwise directed by your Board.

If you have any questions or need additional information, please let me know, or your staff may contact Kathy House, Acting Deputy Chief Executive Officer at (213) 974-4530, or via e-mail at khous@ceo.lacounty.gov.

WTF:BC:KH
VKD:ljp

c: Executive Office, Board of Supervisors
County Counsel
Chief Information Office
Children and Family Services
Consumer Affairs
Internal Services
Probation

foster youth identity.bm